

SENATE BILL REPORT

SSB 6583

As Amended by House, March 6, 2008

Title: An act relating to eligibility for medical assistance.

Brief Description: Changing provisions relating to eligibility for medical assistance.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Brandland and Hargrove).

Brief History:

Committee Activity: Human Services & Corrections: 2/01/08, 2/05/08 [DP-WM].
Ways & Means: 2/12/08 [DPS, w/oRec].
Passed Senate: 2/15/08, 44-0.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member; Brandland, Carrell, Marr and McAuliffe.

Staff: Kevin Black (786-7747)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6583 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Brandland, Carrell, Hatfield, Hobbs, Keiser, Kohl-Welles, Oemig, Rasmussen, Regala, Rockefeller, Schoesler and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach.

Staff: Elaine Deschamps (786-7441)

Background: In the state of Washington, an individual may qualify for Medicaid coverage under the "categorically needy" (CN) program if the individual is disabled, blind, or over age 65, and meets income limitations. The Department of Social and Health Services (DSHS) has set the income limitation for the CN program at \$637 per month for one person, or \$956 per month for two persons. A person who is disabled, blind, or over age 65, and who has an income greater than \$637 per month may qualify for Medicaid under the "medically

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needy" (MN) program only if the person can prove that the person has spent all of his or her excess income above \$637 per month on medical expenses for the three- or six-month period prior to coverage. A person who is released from a correctional institution or institution for mental diseases is not eligible to qualify for Medicaid under the MN program if the person's medical expenses for the previous three- or six-month period were covered by the institution. DSHS may change the income limitation for the CN Medicaid program within parameters authorized by the federal government without losing federal matching funds.

The federal poverty level refers to poverty guidelines published annually by the federal Department of Health and Human Services. These guidelines are adjusted annually to account for inflation. The federal poverty level is currently \$851 per month for one individual or \$1,141 per month for two persons.

Summary of Substitute Bill: DSHS must raise the categorically needy income level (CNIL) for aged, blind, and disabled persons to 80 percent of the federal poverty level (FPL) as adjusted annually beginning July 1, 2009, 90 percent beginning July 1, 2011, and 100 percent beginning July 1, 2013. The act takes effect July 1, 2009, and the provisions of the bill are contingent upon funding provided in the 2009-11 biennial budget.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Human Services & Corrections): PRO: This makes it easier for mentally-ill inmates to qualify for benefits while they are in prison or in the hospital. Not having benefits contributes to recidivism. Many organizations support this bill. Without coverage, people put off getting care until they have to go to the emergency room. Prevention is less costly and more effective. Administration costs would be saved by shifting people out of the medically needy program. Many thousands of people would be able to access timely medical care due to this legislation. The bill would help older people access dental care. Disabled inmates released from jail can't qualify for spend down during the critical first months following release.

Persons Testifying (Human Services & Corrections): PRO: Jim Adams, NAMI; Peter Greenfield, Columbia Legal Services; Bruce Reeves, WA Senior Citizen Lobby; Roy Walker, AAA Association; Cindy Spanton, WASPC/The Defender Association.

Staff Summary of Public Testimony on Original Bill (Ways & Means): PRO: This bill is an important step forward for providing medical coverage and mental health benefits to this vulnerable population. The phase-in approach allows for some time to measure the true impacts, and the null and void clause allows for some flexibility in funding next biennium.

Persons Testifying (Ways & Means): PRO: Senator Brandland, prime sponsor, Seth Dawson, National Alliance on Mental Illness and State Psychiatric Association.

House Amendment(s): Commitments to raise CNIL to 90 percent of FPL in 2011 and 100 percent of FPL in 2013 are removed. DSHS must prepare a fiscal analysis of costs and cost

savings associated with raising the CNIL to 80 percent of FPL and submit the report to the Legislature by November 1, 2010. Persons who become eligible for medical assistance after June 30, 2008, are not eligible for the Washington State Health Insurance Pool.